

## **SUPPORTING STATEMENT FOR CLAIMS & PAYMENT ACTIVITIES**

**OMB CONTROL NO. 1205-0010**

This information collection request (ICR) seeks to renew and extend the Claims and Payment Activities data collection.

### **A. JUSTIFICATION**

**1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

The ETA 5159 report provides important program information on claims taking and benefit payment activities under state/federal unemployment insurance laws. These data are needed for budget preparation and control, program planning and evaluation, personnel assignment, actuarial and program research, and for accounting to Congress and the public. This collection is authorized under the Social Security Act, Title III, Section 303(a)(6).

**2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

The information collected on the ETA 5159 report is heavily used in the development of actuarial estimates of UI benefit outlays, claims levels, and administrative workloads needed for the federal budget process and legislative proposals. These data also allow for analysis of past and current labor market conditions.

The key data elements used for state UI benefit estimates include first payments, final payments, weeks claimed, weeks compensated, and benefits paid. State level benefit payments are also needed to make estimates of potential Title XII advances and loan repayments.

The national estimates of benefit outlays and loans, combined with revenue projections, are used to analyze the solvency of the federal accounts in the Unemployment Trust Fund (UTF) and to determine potential need for general revenue advances. Monthly benefit outlay estimates are also required for OMB A-11, Section 135 reporting and are utilized by the U.S. Treasury Department to monitor the Government's cash operations among other uses.

With respect to workload projections, weeks claimed and initial claims are the items used from the ETA 5159. These projections are key elements in the formulation of budget requests to OMB for the State UI and ES Operations (SUIESO) appropriations.

Weeks claimed and initial claims are also key elements used for the allocation of base administrative funds to the states. Recent reported volumes for these elements are utilized in the production of state-by-state workload levels for these items, which feed into the process to allocate administrative funding to state workforce agencies. The data collected on this report are also the most frequently requested items from the public because they measure the flows into and out of the UI program, and contain important UI program and economic measures. Monthly reporting is essential to assure accurate forecasting and timely labor market information.

**3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also, describe any consideration of using information technology to reduce burden.**

States have been reporting this data electronically to the National Office for a number of years. All states have available the ability to access the National Office UI reporting system which accepts files generated by a state computer thus eliminating the need to hand enter data.

**4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item A.2 above.**

This data is not available from other sources in the detail needed. Weeks claimed and initial claims are collected on the weekly ETA 539 and ETA 538 (OMB no. 1205-0028) as well as the ETA 5159. Data from the ETA 539 is used to calculate the 13-week average insured unemployment rate trigger used for extended benefits. The ETA 538 provides advance figures on initial claims and the insured unemployed so that this economic data will be available to the public timely. However, the ETA 538 and ETA 539 reports do not contain the detailed information requested for the ETA 5159. While the ETA 5159 provides more detailed information than the ETA 538 or ETA 539, it does not provide the timeliness that the weekly ETA 538 and ETA 539 do.

**5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.**

There is no impact on small businesses. The data that is being collected here is not from the businesses themselves, but from the agreements that have been entered into between the businesses and the states. As a result, the businesses that elect to enter into STC arrangements with state workforce agencies (SWAs) will not be contacted or impacted. The data that the

Employment and Training Administration (ETA) is proposing to collect would simply be from state records.

**6. Describe the consequence to federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

This is the most basic report of the unemployment insurance system reporting. It contains the majority of the data elements used to determine state administrative budgets. Trends are much harder to predict with four data points a year (quarterly reports) rather than with twelve data points a year (monthly reports). Because the vast majority of states get this information from computer programs that are already available, the additional burden is negligible. Making twelve computer runs rather than four has very little impact on the state, while the loss of those data points would greatly weaken Department's ability to accurately predict program activity. Furthermore, unlike burden on businesses or individuals, states are funded to collect and report this data through their annual UI administrative grant.

**7. Explain any special circumstances that would cause an information collection to be conducted in a manner:**

- **requiring respondents to report information to the agency more often than quarterly;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to submit more than an original and two copies of any document;**
- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- **requiring the use of statistical data classification that has not been reviewed and approved by OMB;**
- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**

- **requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

The collection is consistent with 5 CFR 1320.5 except that monthly frequency is requested based on the rationale provided in item 6 above.

**8. If applicable, provide a copy and identify the date and page number of publication in the *Federal Register* of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.**

**Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.**

**Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years -- even if the collection-of-information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.**

In accordance with the Paperwork Reduction Act of 1995, the public was allowed 60 days to review and comment through the Federal Register Notice posted on July 8, 2021 (86 FR 36161). One comment was received from a Federal Government data user (research) in support of the continued collection of this data.

**9. Explain any decision to provide any payments or gifts to respondents, other than remuneration of contractors or grantees.**

No payments are made to respondents.

**10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.**

The ETA 5159 reports contain no personal or confidential data.

**11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be**

**given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

There are no questions of a sensitive nature.

**12. Provide estimates of the hour burden of the collection of information. The statement should:**

- **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**
- **If this request for approval covers more than one form, provide separate hour burden estimates for each form.**
- **Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.**

States use electronic reporting as a part of their normal data processing operations. The reporting involved in this collection does not involve manual tabulation, but pre-programmed and automated scripts that aggregate transactions that are stored in the state mainframe as a result of daily processing of claims from unemployed people in the state. Based on previous experience and ad hoc conversations with State Workforce Agency (SWA) personnel, it is estimated that the burden for running an extract from the state system, reviewing it, and uploading it into the ETA reporting system takes approximately two hours. This is independent of program type as the burden is largely administrative in generating the extract and reviewing it for quality assurance purposes.

ETA currently maintains 3 possible ETA 5159 reports subject to the PRA: the regular program, the Federal-state Extended benefits (EB) program, and the Workshare/STC. Though states only need to submit EB reports when there is activity and not all states participate in workshare, the maximum possible burden states could encounter would be submitting all 3 reports, 12 months a year, at two hours per submittal. ETA would estimate the maximum possible Federal reporting burden placed on states by ETA as a result of this collection to be:

$$53 \text{ states} \times 12 \text{ reports/year} \times 3 \text{ programs} \times 2 \text{ hours per submittal} = 3,816 \text{ hours}$$

In monetizing the burden, ETA assumes SWA staff will typically prepare the responses. Based on cost accounting systems, and for all program planning and policy purposes, ETA estimates that for FY 2022, the average wage of an SWA employee, including fringe costs, is \$53.27. ETA believes the value of State respondent time to be:

$$3,816 \text{ hours} \times \$53.27/\text{hour} = \$203,278.32.$$

In addition to the reporting burden imposed by this collection, and as a direct result of requirements in PL 112-96, states report one additional cell on the workshare-specific ETA 5159 describing the number of employer agreements that states have. This change produced an additional ongoing burden related to the data acquisition and record keeping requirement on employer agreements. It was not envisioned that states previously had this information automated/electronically stored, however, given that the population of employers participating in this program was relatively steady, it was envisioned that once states have dealt with any uptake issue as a result of Federal Incentives that the basic additional reporting burden of this added element would represent an additional 5 hours per report per state. Please note that this would only affect the workshare-specific ETA 5159, not any of the other reports.

$$53 \text{ states} \times 12 \text{ reports/year} \times 1 \text{ program (STC)} \times 5 \text{ hours per submittal} = 3,180 \text{ hours}$$

$$3,180 \text{ hours} \times \$53.27/\text{hour} = \$169,398.60.$$

**Estimated Annualized Respondent Cost and Hour Burden**

Activity	No. of Respondents	No. of Responses per Respondent	Total Responses	Average Burden (Hours)	Total Burden (Hours)	Hourly Wage Rate	Total Burden Cost
Reporting of Regular 5159	53	12	636	2	1,272	\$53.27	\$67,759.44
Reporting of EB 5159	53	12	636	2	1,272	\$53.27	\$67,759.44
Reporting of STC 5159	53	12	636	2	1,272	\$53.27	\$67,759.44
Record Keeping Burden for ongoing STC Element	53	12	636	5	3,180	\$53.27	\$169,398.60
Unduplicated Totals	--	--	2,544	--	6,996	--	\$372,676.92

\*Source: The hourly rate is computed by dividing the FY 2022 national average PS/PB annual salary for state staff as provided for through the distribution of state UI administrative grants

([https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=6102](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=6102)) by the average number of hours worked in a year (1,711). For FY 2022, this calculation is: \$91,144 / 1,711= \$53.27

**13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).**

- **The cost estimate should be split into two components: (a) a total capital and start up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of service component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.**
- **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**
- **Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**

There are no costs to respondents associated with this collection. UI required reports are paid for by monies allocated to states for administration from the Federal Government. There are no breakouts for specific reports. This is a well-established report so there are no start-up costs.

**14. Provide estimates of the annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), any**

**other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 into a single table.**

ETA budgeted \$1,087,152 to operate and maintain the Unemployment Insurance Required Reports system. Including the subject ICR, this system supports 30 information collections. For administrative purposes, each information collection is assumed to contribute an equal share of the cost for supporting the entire system; therefore the cost allocated to this ICR is estimated to be \$36,238 (\$1,087,152 system cost/30 information collections).

**15. Explain the reasons for any program changes or adjustments.**

There are no program changes or adjustments affecting the burden.

**16. For collections of information whose results will be published, outline plans for tabulations, and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.**

Results are published in a complete series through the UI Data Downloads resource, a Monthly Program Reports application, the quarterly UI Data Summary, and in the annual Handbook 394, Unemployment Insurance Program and Financial Data Report; also, much data is provided in response to special requests.

**17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

ETA displays the OMB control number and expiration date on the ETA 5159 form that is shown to users. A menu option in the UI electronic reporting system provides access to a complete listing of OMB control numbers and expiration dates for all required reports, including the ETA 5159.

**18. Explain each exception to the certification statement.**

There are no exceptions.

**B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS.**

This information collection does not employ statistical methods.